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## Taiwan

**Post:** Taipei

### **Delayed Potato Shipments Unappealing to Authorities**

**Report Categories:**

Potatoes and Potato Products

Trade Policy Incident Report

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**Report Highlights:**

Taiwan experiences a shortage of chipping potatoes as several large U.S. shipments were delayed and subsequently rejected.

**General Information:**

The West Coast labor disputes delayed the export of several shipments of U.S. fresh chipping potatoes (i.e. potatoes for further processing including potato chip production). Upon arrival at Taiwan ports, authorities rejected entire shipments due to rot detections. Since November, 20 containers of U.S. chipping potatoes have been rejected for rot, valued at over \$USD 300,000. Local restaurants report switching to sweet potato products or frozen processed potato products. Still, many shipments of U.S. frozen potatoes, French fries, are also delayed due to the labor disputes.

Fresh potatoes are particularly susceptible to rot. Damage to the potato during loading and unloading and temperature conditions may allow rot to spread quickly during transportation. Potatoes arriving in Taiwan may have an increased likelihood of rot due to Taiwan requirements that the potatoes be thoroughly washed before shipping.

Many countries allow such potatoes to be imported because the rot is removed in processing and is not harmful to humans. Indeed, some of these shipments originally destined for Taiwan successfully went on to other markets. Taiwan authorities, however, rejected the potatoes citing Article 15 of the Food Safety and Sanitation Act which dictates that, “[Deteriorated or rotten]...foods...shall not be manufactured, processed, prepared...” In the past, Taiwan authorities permitted the importer to apply for an improvement plan, where the importer would be responsible for moving product to a warehouse, removing rotten portions, and applying to authorities for final approval. Unfortunately, Taiwan authorities have recently been unwilling to consider improvement plans; authorities remain hesitant after several local food safety scandals.

Taiwan is the United States’ third largest potato market, after Mexico and Canada, valued at \$8.4 million in 2013. The United States supplies upwards of 95% of Taiwan’s fresh and chilled potato imports (HS code 0701). Taiwan farmers produce over 50,000 MT of fresh potatoes annually, mostly destined for table use but some may be directed towards further processing. Local production season is December – March/April.